

Star BUSINESS

Around 53 percent of the respondents of a survey in Bangladesh said they prefer making investment in deposit pension scheme (DPS) to set aside funds for rainy days



Story on B4



Li Chunrong

Proton CEO arrives in Dhaka

STAR BUSINESS REPORT

Li Chunrong, chief executive officer of Proton, arrived in Dhaka yesterday to take part in an event where Proton X90 will be unveiled.

Rancon Cars Ltd, a concern of Rancon Group, is going to introduce two variants of Proton X90, a mid-sized sports utility vehicle, at the Radisson Blu Water Garden Dhaka today, according to a press release.

The car boasts a 48-volt mild hybrid system that includes a 1500cc turbocharged engine co-developed with Volvo, a Swedish automaker.

Rancon Cars Ltd, a concern of Rancon Group, is going to introduce two variants of Proton X90, a mid-sized sports utility vehicle

"We are thrilled to announce the arrival of Dr Li Chunrong in Bangladesh," Rancon said. "Dr Li is set to grace the occasion as we prepare to unveil the latest marvel in automotive innovation—Proton X90."

Rancon said the launch signifies a new era for its brand in the Bangladeshi market.

Li Chunrong graduated from Huazhong University of Science and Technology with a bachelor's degree in electrical automation. He earned a post graduation degree from the School of Industrial Engineering and Management.

He attended the Massachusetts Institute of Technology in the US to complete a master's degree in business administration and obtained a PhD in management engineering.

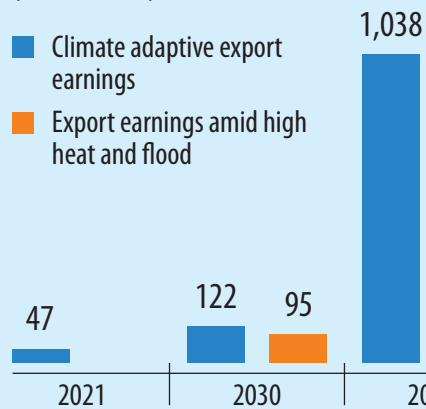
Chunrong started his career with Dongfeng Motor Corporation, a

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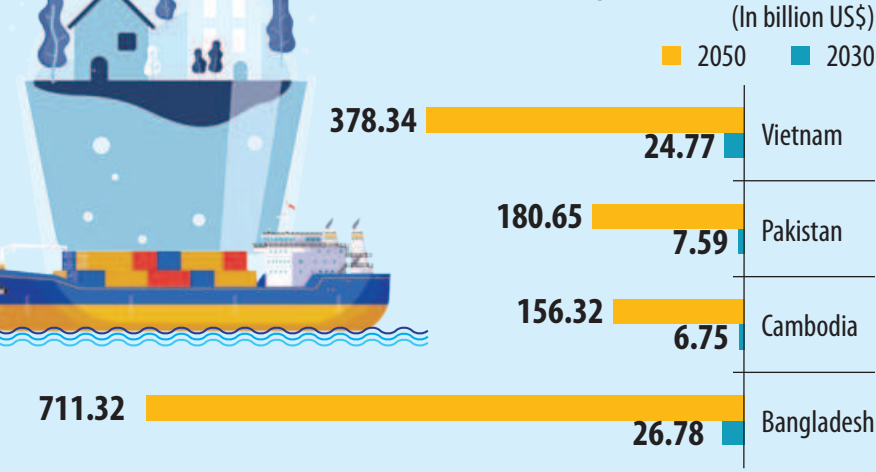
Climate-induced disruptions could cost Bangladesh \$27b in apparel exports by 2030

Study by Cornell University and Schroders finds

Combined heat and flood related impact on apparel export earnings of Bangladesh (In billion US\$)



Export losses of four countries for high heat and flood (In billion US\$)



SOURCE: CORNELL UNIVERSITY AND GLOBAL LABOR INSTITUTE

STAR BUSINESS REPORT

Bangladesh could lose a staggering \$27 billion in annual apparel exports by 2030 if it does not adopt a climate-adaptive approach due to high heat and floods, according to a new study.

About 2.5 lakh employees in the sector will lose their jobs due to such climate-induced disruptions by the year.

The study — Climate Resilience and Fashion's Costs of Adaptation — was jointly conducted by Cornell University and Schroders.

The findings were jointly unveiled by Mapped in Bangladesh (MiB) and Cornell University's Global Labor Institute (GLI) under the School of Industrial and Labor Relations at the Lakeshore Hotel in Dhaka yesterday.

Jason Judd, executive director at GLI, presented the study findings.

Focusing on production hubs in Bangladesh, Cambodia, Pakistan, and Vietnam, the research reveals that these regions could lose more than \$65 billion in export earnings and see the loss of nearly 1 million jobs by 2030 due to climate-induced disruptions.

"In the longer term, the impact will be excruciating for Bangladesh," the study said, adding that the nation may lose \$711 billion, or 68.5 percent of its total foreign currency earnings from apparel exports by 2050.

It recommended immediate

actions to address the challenges.

The researchers also analysed the climate vulnerability of 32 apparel production hubs, including Dhaka and Chattogram and showed that exposure to heat and flooding was widespread.

They mapped the supply chain footprint of six global apparel brands across the four production centres.

The findings showed that workers and manufacturers of all six brands faced productivity impacts from extreme heat and flooding, conservatively

Bangkok, Phnom Penh, and the Dongguan-Guangdong-Shenzhen region in China.

Workers in Dhaka reported missing three days of work per month due to heat- and flood-related illness in the summer months from May to July, costing them Tk 1,200 to 1,500 per month.

The study recommended treating heat and flood events as health hazards, with paid leave for events and related illnesses. It also called for providing the rights to stop work under such conditions.

including global and national bargaining, to address the challenges faced by the apparel sector.

Binding agreements should be established and formal partnerships must be fostered between brands, manufacturers, unions, and governments to address and adapt to climate breakdown.

The study suggested brands and suppliers explore the return on investment from adaptation measures and support suppliers to retrofit or relocate to lower-risk locations.

It was also recommended the government integrate climate adaptation and worker rights-related factors into trade policies.

MiB and its implementing partner BRAC University's Centre for Entrepreneurship Development were part of the study and provided necessary data support to Cornell University.

Afshana Choudhury, lead operations officer at MiB, emphasised the policy implications of the study in navigating the challenges and opportunities presented by climate change in the fashion industry.

"Buyers should increase prices so that factories can adopt eco-friendly initiatives. At the same time, factory owners should not contaminate rivers and pollute the environment."

She advised apparel factory owners to set up green factories and refrain from cutting trees.



estimated to be equivalent to 5 percent or more of their net operating profits after tax.

It added that fashion brands and retailers tempted to shift sourcing away from climate-vulnerable centres would struggle to build the large-scale capacity they benefit from in South and Southeast Asia.

Several manufacturing hubs stand out in 2030 and beyond for their vulnerability to high heat and humidity and flooding: Colombo, Dhaka, Chattogram, Yangon, Delhi,

Jason Judd emphasised the need for investors to engage with apparel companies and stakeholders and highlighted the gap in risk management strategies, which often overlook adaptation measures.

He called for the establishment of social protection mechanisms and the commitment of climate adaptation finance to safeguard workers against the effects of climate change.

The study stressed the need for a collective response,

Offshore unit officials to face fine if false info provided

Cabinet approves draft Offshore Banking Act-2024

STAR BUSINESS REPORT

The Bangladesh Bank will be able to impose a fine of up to \$5,000 or an equivalent amount in the local currency on the officials of offshore banking units (OBUs) if they provide false information intentionally.

The penalty was included in the draft Offshore Banking Act 2024 that the cabinet division yesterday approved in order to bring foreign and non-resident Bangladeshi individuals and



institutions under the domestic banking channel.

The draft law received the nod in the cabinet meeting at the Prime Minister's Office with Prime Minister Sheikh Hasina in the chair.

According to the draft, OBUs will be slapped a fine of \$2,000 if they fail to submit financial statements to the banking regulator on time and make delays in doing so.

If the violation continues, an additional fine of \$100 will be charged for each subsequent day.

No direct or indirect tax on the interests or profits earned by banks through OBUs will be imposed and there will be no tax or duty on the earned income of the depositors, the draft Act said.

The government hopes the new Act will create the possibility of attracting investments and give a boost to the foreign currency reserves.

Offshore banking accounts are maintained in foreign currencies such as the US dollar, the British pound, the Japanese yen, the Canadian dollar, the Singapore dollar and the Swiss Franc against the local currency.

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STOCKS	
DSEX ▼	CASPI ▲
0.06%	0.04%
6,268.62	17,945.92

COMMODITIES	
Gold ▼	Oil ▼
\$2,025.72	\$78.34
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.08%	▼ 0.08%	▼ 0.58%	▼ 1.91%
72,304.88	39,208.03	3,138.93	2,957.85



Ensure cold chain logistics to reduce \$2.4bn post-harvest losses

Speakers say at BIDA, BTF conference

JAGARAN CHAKMA

Bangladesh faces annual post-harvest losses of about \$2.4 billion as the country lacks essential cold chain infrastructure and services known as temperature-controlled logistics (TCL), according to a paper presented at a conference.

William Fellows, managing director of Lixia Capsia Gestionis (LixCap), said up to 44 percent of all perishable food produced in the country is wasted each year in absence of TCL systems.

He made this comment while presenting a keynote on the 'Importance of TCL: Role of Cold Chain in Ensuring High Quality, Safe Food, and an Expanded Export Basket' at a Cold Chain Investment Conference 2024.

The conference was organised by Bangladesh Investment Development Authority (Bida) and Bangladesh Trade Facilitation Project (BTF) of the US Department of Agriculture at the Bida in Dhaka yesterday.

Fellows said he expects that TCL systems, including storage, transportation and value-added services, will have a combined market

value of about \$400 million in the country by 2031.

As such, lucrative opportunities exist in financing and operating projects for developing cold chain facilities, which will in turn improve the handling, export and import of perishable goods.

Besides, ensuring growth and investment in the TCL industry would improve the livelihoods of farmers, help food producers meet certain requirements and create opportunities for export.

However, TCL systems in the country are predominantly emerging in urban areas like Dhaka and Chattogram, he added.

So, the increasing demand for cold chain facilities remains unfulfilled, with about 97 percent of all perishable food sales taking place in wet markets or other informal retail spaces lacking refrigerated storage and transport services.

Against this backdrop, Fellows suggested declaring the TCL industry as a priority sector to facilitate new investment, create jobs and directly boost export diversification by ensuring food quality and safety.

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In absence of temperature-controlled logistics (TCL)

- ▶ Annual post-harvest losses total \$2.4bn
- ▶ Up to 44% of perishable food is wasted
- ▶ Wet markets account for 97% of perishable food trade

Benefits of TCL usage

- ▶ Will improve domestic food security
- ▶ Could help increase agricultural exports

Prospects of TCL industry

- ▶ Market value expected to reach \$400m by 2031
- ▶ Market growth anticipated at 10.5% annually until 2031

